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50 YEARS OF MARKET NEWS

U.S. DEPARTMENT OF AGRICULTURE/AGRICULTURAL MARKETING SERVICE

The name of the Agricultural Marketing Service was changed, effective Feb. 8, to the Consumer and Marketing Service.

ORVILLE L. FREEMAN
Secretary of Agriculture

S. R. SMITH, Administrator
Agricultural Marketing Service

Volume 10, Number 3

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Cover Page

When market news reports made their debut in 1915, an occasion which this issue commemorates, they filled a vital gap for farmers and businessmen. For many readers, this crystal radio set used by the oldtimer on the cover will trigger a nostalgic return to those days of old.

Editor, JAMES A. HORTON



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What Market News Means to the Nation

By Dale E. May

THROUGHOUT the complex process of moving the Nation's harvest from farm to consumer, a host of services must be performed at each stage of marketing.

Among the most vital is the reporting of market news. Its big job is to help keep products moving — efficiently, orderly, and at the lowest possible cost to producers, marketers, and consumers. And, since its inception 50 years ago this month, it has more than succeeded at this task.

On a regular, hour-to-hour basis, market news — including information on supplies and demand, movement, quality, and the prices products are bringing — is gathered at farm market and production areas. Those who gather it — the commodity market reporters of the U.S. Department of Agriculture's Marketing Service and of co-operating State agriculture departments — must be sure of the accuracy of the information they collect from buyers and sellers, then compile it in usable form. The next step: communication.

The resulting market reports go through all practical means to those who need them. A 20,000-mile teletypewriter system leased by AMS speeds reports to points around the country. Then they're disseminated by radio, newspapers, trade papers, television, mail, personal and telephone contacts, and recorded telephone messages.

The reports cover buying and selling of fruits, vegetables, livestock, meats, wool, peanuts, honey, poultry, eggs, dairy products, grain, cotton, feed-stuffs, and tobacco — more than 100 com-

modities in all. The reports tell farmers and marketers of changes in the market almost as fast as the changes occur, so they can make — without delay — crucial marketing decisions, as when and where to ship, when and where to buy.

Over the years, marketing has changed significantly and today it continues to change. Perishable fresh fruits and vegetables, for example, are now more rapidly moved to market — often long distances as from the Pacific to the Atlantic Coast. As the marketing process has become more complex, so has the "need to know" become more critically important to buyers and sellers who must make sound decisions and negotiate prices fairly. Poor judgments can result in higher marketing costs and unstable prices.

Timely market news prevents one market from becoming glutted, another from having a shortage of products consumers need daily. And, for such products as lettuce, which must reach its destination rapidly or lose quality, this is of obvious importance. No food shopper wants to buy wilted lettuce! And certainly no housewife wants to go shopping not knowing whether she'll be able to find the foods she wants!

A better picture of how market news helps the entire Nation can be seen in following lettuce from a California field to a New York City supermarket.

The lettuce is harvested, packed, pre-cooled, and readied for shipment. Using reports covering supply, demand, and prices at shipping point as his guide, the grower-shipper can decide on the price he'll ask.

The range of prices at his shipping

point, and those received at many other shipping points — along with information on the volume of lettuce being shipped — are relayed over the teletypewriter network to market news offices coast to coast, then disseminated quickly to the trade.

In New York, the wholesale buyer watches prices and market conditions as the lettuce makes its journey. When it arrives and is sold, the Market News Service reports wholesale prices paid, with figures on lettuce arrivals, unloads, and cars of lettuce yet to be unloaded. These reports are closely watched by both wholesalers and retailers and also relayed back to shipping points.

At the California shipping point, growers, shippers, and packers keep their eyes on market conditions at New York and many other terminal markets over the country — to determine where to ship their products. Some shipments can be diverted to markets in short supply — where higher prices are being paid — so the market needs of the country for lettuce are met.

Because of this broad exchange of market information by the Federal-State Market News Service, buyers and sellers of agricultural products can judge their operations soundly.

The stable prices and efficient, orderly marketing that result benefit not only producers and those in the marketing community, but the Nation's 190 million consumers who depend on a regular supply of quality food at the lowest possible prices.

(The author is a member of the Marketing Information Division, AMS.)



The first market news report was issued from this log cabin in Hammond Louisiana on March 27, 1915.

It Started with Strawberries

By Sebastian Filippone

THE LOUISIANA farmer flicked the reins of his team lightly as he drove his wagonload of strawberries to the railhead at Hammond for shipment to distant markets. The strawberry growing season was at its peak, and he had many things to consider.

What prices were they paying for strawberries? How much could he expect to get for this load? Should he have taken this load to market yesterday . . . or should he have waited 'til tomorrow? If he didn't sell his berries to a dealer in Hammond, to which market should he consign them . . . Chicago, for instance, or St. Louis?

But on this day, as he drove into the market area, he found some help in making his marketing decisions. Posted at the market was a simply-typed sheet of paper telling him how many cars of strawberries had arrived in Chicago and St. Louis, among other places, the day before, the quality of the berries at these points, and the prices paid for them.

Suddenly the farmer was not throwing darts at a map any more. He could make his marketing decisions intelligently, with the help of information on supply, demand, and prices in distant markets. And he knew how much he could expect for the berries he was sending to market that day.

The day was March 27, 1915, the day the first market news report was issued from a small office in Hammond, La. The first report was on strawberries, but reports on other crops would follow soon, and the information con-

tained in them would be much more comprehensive.

The U.S. Department of Agriculture's Federal-State market news reports of today no more resemble the one from Hammond 50 years ago than the truck the farmer uses today resembles the horse and wagon used in 1915.

From that small beginning, the Market News Service — provided by USDA's Agricultural Marketing Service in cooperation with State departments of agriculture — has expanded into a vital nationwide operation issuing market reports on all major commodities. Through a network of field offices throughout the Nation, trading is reported at major terminal markets and production and shipping areas. And in place of the Morse Code used in Hammond at the rate of 25 words per minute, marketing information is now relayed by teletype at more than 100 words per minute.

But it started that day in Hammond 50 years ago. Like most major developments in marketing, it was born of need.

The problems faced by that farmer heading for Hammond were similar to those faced by other farmers throughout the Nation. They had studied annual crops reports issued by USDA, but they did not have any information on the situation the day they sent their crops to market. They did not know what prices their crops were bringing at markets elsewhere in the country. Dealers knew little, if any, more than farmers about marketing conditions outside their immediate areas.

Consumers were also affected by random market decisions. They paid more for their food when not enough of a given commodity was shipped to their city and supplies became scarce. They also paid more when too much was shipped to their city, because retail prices had to include cost of the excess food which could not be sold before it spoiled.

It was clear to many by the time the 20th century arrived that these problems could be solved satisfactorily only when everyone in the marketing chain had complete, accurate, and timely marketing information.

Early objections to a marketing news system arose because it was feared the cost would be prohibitive. A farmer's cooperative on Virginia's eastern shore, for instance, was spending more than \$25,000 a year for telegraphic services, and this covered only two counties. A California fruit grower's association reported spending \$75,000 annually for telegraphing.

Some objected because they believed the news would be too outdated by the time it could be disseminated. Still others believed that too many shipments would be diverted to a market which showed a high price, thus glutting the market and decreasing the price, leaving empty markets and high prices elsewhere.

USDA's newly-created Office of Markets decided in 1913 on a period of preliminary investigation to determine practical methods and probable cost of service. The guiding policy was that

service should include "daily collection and distribution of information relating to supply and demand in the leading markets, progress of planting, area planted, and condition of growing crops." This policy of investigation probably avoided many pitfalls which might have resulted from a hasty program formed to please only one segment of the industry.

Strawberries, tomatoes, peaches, and cantaloupes were chosen for preliminary studies, and soon the Louisiana strawberry crop was chosen for concentrated study. Arrangements were made with 30 principal handlers in larger northern and central markets to provide information each day on the quantity of strawberries received, on the sources of origin, and on the prevailing prices.

With cooperation of the railroads, market news representatives were also kept informed of the number of cars of produce moving each day, with destinations and diversions.

This information was made available to all growers, shippers and dealers by telephone from Hammond, and by public bulletin displayed at all important shipping points. Thus the typed sheet of paper found by the farmer in Hammond that March day 50 years ago represented months of work and dedication.

By July that year, full-time men were stationed in major markets. Results were so impressive that the service spread to cover other fruits and vegetables later that year. It was expanded to meats and to hay, grain, seed, and feeds in 1916, to livestock, and to dairy and poultry products in 1918, to cotton in 1919, to wool in 1924, and to tobacco in 1931.

As communication facilities improved, so did the market news system. The first reports by telephone and short wave were followed by the first scheduled market news broadcasts over radio in May 1921, and the first telecasting of market news in 1950.

Thus, changing with the times, market news continues to perform its useful functions: informing producers, buyers and sellers to enable them to make more knowledgeable decisions; helping insure that the right amount of the right products are available at the right time and place; and providing information on supplies and price trends useful to consumers, enabling them to use available supplies to the best advantage.

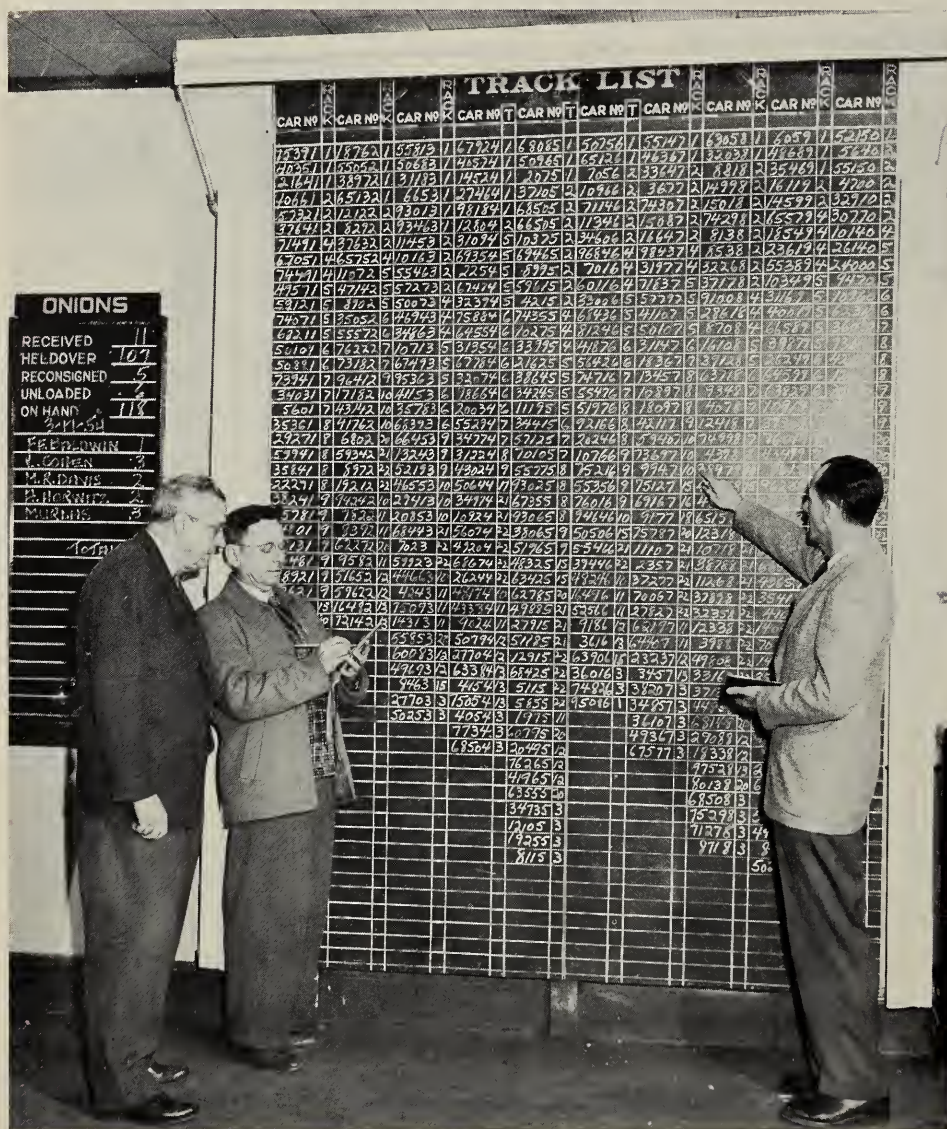
(The author is a member of the Marketing Information Division, AMS.)



This was one of the first broadcasts over a U. S. Government station. Reports by telephone and short wave gave way to radio in May 1921. TV reports came in 1950.

Why A Market News Service?

By Bob Norton



Market news helps transportation lines determine facility needs. These railroad track listings at a terminal market provide up-to-date news on commodity arrivals.

MARKET NEWS? "That's for farmers!"

Well, you'd be surprised. Farmers do use agricultural market news. They find it a real necessity in effective marketing. But so do such widely divergent enterprises as supermarkets, clothing manufacturers, banks, railroads, trucking and shipping firms, industrial firms, and even insurance companies.

The farmer is just the most obvious user of market news. Without it, he would be in a quandary as to when or where to market his products, or how to plan his production for the coming year.

On the other side of the bargaining table, buyers use market reports to keep up with trends in prices, supplies, storage, and movement of commodities, competitive outlets, and in developing contractual arrangements.

Railroads and trucking firms use market news to study shifts in types of transportation, and to determine how much service they'll need to provide.

Those who provide marketing facilities and services — those who "oil the marketing machinery" — are deeply dependent upon market news. As the president of a terminal livestock market emphasized, "we all feel that the market news service is most essential to the success or failure of all segments of livestock marketing, which, of course, includes our terminal market."

The original price information, after serving as a guide to day-to-day trading, becomes a part of the statistical background which can be used in short and long-range planning by farmers, processors, and all the allied industries which depend on the production and marketing of food and fiber.

This agri-business community has been estimated to include roughly 40 per cent of the Nation. Not all of the agri-businessmen use market news reports on a daily basis, but even then the trends of prices and supplies often materially affect their future plans.

Chemical and pharmaceutical companies are in this group, along with equipment and machinery manufacturers, petroleum and packaging suppliers, and those who manufacture industrial or consumer goods from agricultural by-products.

Storage operations are planned on the basis of reported information. A

large clothing manufacturer reports that "we are substantial users of cotton and cotton products and the information is of extreme value to our purchasing department."

Trade organizations use market reports for analytical studies, while high schools and universities find market information adaptable to classroom instruction in marketing.

One Federal Reserve Bank officer said, "these market reports are the backbone of our agricultural work" in establishing loan policies.

A State penal system makes use of market news in estimating advance food costs in its food service program, while hotels and restaurants across the Nation use market reports as a guide in seeking the tremendous amount of food used in their operations.

An Air Force base commander stated that market information is used to compute the price of saleable food waste at his base.

In summation, the comments of an insurance company official reflect the importance placed upon agricultural market news by those whose business is related to or deals with the agricultural business community.

"We represent the underwriters who assume liability for fire and other perils to which baled cotton is subject," he explained. "The releases are invaluable to us in the evaluation of cotton for insurance and loss adjustment purposes. In fact, it is the primary guide or criteria for such purposes which is recognized and is largely acceptable to all segments of the industry."

Thus, agricultural market news plays a vital role in the total American economy.

Here is the complete answer to the man's question, "why a government market news service?"

It is the Federal-State market news service which supplies the information quickly and accurately to the Nation's media, because this information is in great demand by the Nation's business community.

And, it is because of this demand that the information is readily available when you turn on your radio or television, or look in your local newspaper.

(The author is a member of the Marketing Information Division, AMS.)



Market news aids traders in buying & selling at commodity exchange markets.



It helps wholesalers coordinate their buying from farmers with sales to retailers.



It helps feed dealers plan their buying, selling, milling and storage.

Market News — A Ha



As a service to agriculture, and to the Nation, the Federal-State Market News Service was started 50 years ago this month. Market news then, as now, depended on the reporter, who gathered price information, evaluated it, and disseminated it.

The modern Market News Service uses every means possible—TV, radio, newspapers, mimeograph reports—to get agricultural price information to those who need it. The guiding principle is still the same — service, to the farmer, the buyer, the marketer, the Nation.

Radio was an early means of reaching farm families with market news — information which they needed to sell their crops. Even the most primitive of radio receivers served this farm family's needs.

This bank in 1923 set up a "listening room" to provide local businessmen with USDA market news reports.



Half-Century of Service



The market news reporter gathers price, supply and demand information, evaluates it and disseminates it to farmers, dealers, etc.



Mimeographed reports are placed in market centers for the use of farmers, dealers, buyers — anyone who needs the information. Market news reporters also report prices through newspapers and by personal contact.



Faster Market Reporting

By Bill Bloom

"AWV AZV AFV ABV ASV AAV
BEV AKV AEV AQV . . ."

NO, THAT'S not a typographical error. It's a series of call director codes which help to speed the latest market news reports of the U.S. Department of Agriculture to a waiting marketing community of producers, processors, packers, shippers, wholesalers, retailers, and related marketing interests.

Since the USDA's first market news report of the Hammond, Louisiana strawberry market in March 1915, two dominant factors have influenced the operation of the Federal-State Market News Service — accuracy, and speed of dissemination.

Accuracy in market reports is the responsibility of the dozens of Federal and State reporters assigned by USDA's Agricultural Marketing Service and the State departments of agriculture to cover trading at major food marketing and distribution centers. The reporter must view sales in the marketplace to ascertain quality and quantity of products involved in transactions. He must check regularly with his trade "contacts" to get both the buyer's and seller's views of market conditions. He must then boil down all the bits and pieces of information he has gathered into a clear, concise word picture of the market he's covering.

But to be of maximum use, the news report must reach the trader in the marketplace while it still represents market conditions. And reports must be made available quickly in competitive market areas trading the same, or related, commodities. The cattle feeder in Denver, for example, needs to know the wholesale meat market in Los Angeles; the strawberry shipper in Louisiana will be interested in demand for fresh berries in Chicago; the clothing manufacturer's buyer in Boston needs cotton sales information from the Southern and Western production areas.

To serve a marketing system as far-flung as the boundaries of the Nation,

the Agricultural Marketing Service operates about 220 market news offices — most on a full-time basis, others during seasonal peak production periods. To insure the fastest possible interchange of market information between these offices, most of them are interconnected by a leased wire teletype-writer system.

As the marketing system has expanded, and the demand for market news has increased, so have the demands on the leased wire system. The network is currently moving about a million words a week. To keep pace with the increasing efficiency of marketing, AMS has, over the past five years, carried out a gradual modernization of the market news leased wire system. With the installation of more modern equipment and improved operating procedures, the time lag between sales and reporting has constantly decreased.

The leased wire system is broken down into nine basic circuits, with central relay offices in Washington, D. C. and Kansas City, Mo. Insofar as practical, specific commodity reports move on specific circuits — that is, fruit and vegetable reports move on one circuit, livestock reports on another, etc. Where offices need reports on more than one commodity, the information is relayed from one circuit to another, or any of four general circuits are used to transmit information on all commodities reported by AMS.

The call director codes mentioned earlier are transmitted to each circuit from Washington or Kansas City. An automatic selector for the circuit "polls" each office connected to that circuit, and if the office has a report ready the sending machine is started automatically. The report is transmitted simultaneously to all offices on the circuit.

Here's how the system works:

Each sending office prepares its reports on a punched paper tape. This allows the operator to take his time in typing up the information, and also allows him to check the tape before it's fed into the wire. Then it is placed in a tape reader — and the first time the automatic selector in the central relay

office polls that particular tape reader, the transmitter is started automatically, and another market news report is on its way.

Any office can send out its reports just as soon as they're ready. There is no need for hard-and-fast, complicated schedules. If for any reason a report has to move earlier or later than usual, no wire time is lost. The automatic selector simply polls the next office on the line.

All offices can be polled in seconds. With reports on pre-punched tape, and equipment capable of moving a hundred words per minute, no office's report will be delayed for more than just a few minutes. Each office can make more efficient use of its share of wire time — and more efficient use of operator time, too. The operator no longer has to wait his turn on the circuit — he simply puts the tape in the sending machine and is then free to concentrate on preparing another report, or other duties.

The improved leased wire teletype-writer system not only speeds up the flow of market information between AMS offices, but also expedites the general distribution of market news to interested members of the public. The reports are regularly distributed to the public through a large variety of means, such as mail, telephone, telegraph, etc.

AMS also cooperates with trade associations and with the various news media such as the news services, radio and TV stations, newspapers, magazines, etc., thereby giving the reports even wider dissemination to all segments of the public.

The first market news report was tapped out on a hand telegraph key. A half-century after, the job is done with the aid of leased wires, automatic teletype selectors, call director codes, and many other technological advances in communications. But the basic objectives of USDA's Market News Service are still the same — accuracy of reporting and speed of dissemination.

(The author is a member of the Marketing Information Division, AMS.)

Pioneer Market Newsmen



Kitchen



Burmeister



Davis

By John Anderson

MODERN market news is the epitome of action. Speed is the byword. Like any other news, it *must* move quickly to be useful. The ringing telephones . . . the humming teletypewriter lines . . . a flash on the TV set . . . a voice on the radio . . . this is market news on the move.

It was not always like this, however. Most of the early market reports were weekly and some appeared only once in a month. But in their time, they were a major breakthrough for the farmer. These early reports formed the foundation of today's reports and defined the techniques used by our modern-day reporters. The acorn-to-oak development of market news can be attributed to the visionary men of the early 20th century who pioneered the service and left a pattern for others to follow.

A few of the market news "founding fathers" were asked recently to relate their feelings about the Market News Service and some of their experiences in its formation.

Clarence Kitchen, who later rose to head the Department's marketing work, was closely associated with market news from its inception at Hammond, Louisiana in 1915.

Asked why the service was initiated in the first place, Mr. Kitchen answered: "Because prior to our market news reports farmers had no reliable source of market information except from the dealers in the markets. They didn't know which market was offering the best price nor when would be the best time to take their commodities there. Market news was started to remedy this situation.

"We had men in the markets early in the morning gathering data from the dealers and farmers. By noon this information was telegraphed to Washington where it was compiled along with reports from other offices. These cumulative reports were then sent out to the field offices where they were mimeographed and distributed to the newspapers and we also telegraphed the re-

port to anyone who was willing to pay for the charges."

Livestock market news followed the Hammond report one year later. Charles A. Burmeister was one of the planners and organizers of this new service in 1916, although he entered the task reluctantly.

"I disliked living in Washington," he said. "I was going to ask for a field job when I was talked into staying to work on the new market news service."

Mr. Burmeister is a paradox. He is a Texan who spent 24 years ranching and yet hated livestock; a man who avoided the study of livestock in college like the plague, and yet became so well known and respected as a livestock expert that even today he is asked to speak at many livestock industry conventions.

In assuming his responsibilities in livestock market information, Mr. Burmeister found he was in a very difficult position. "I had never been on a public market — I didn't know the first thing about them. But I figured if I was going to work in them, I'd better learn fast. So I went to the library and studied the Drovers' Journal, and the Breeder's Gazette and some other livestock publications to give myself some sort of background in the field.

"Our first job was to win the good will of the trade. We had to actually sell the idea of the service to the meat companies. We tried to convince them that it was not some form of government usurpation — that it would not harm their operations. We pointed out that our reports would be accurate and completely unbiased and that they would actually benefit from them. After meetings with the individual companies — many of them very antagonistic — we eventually won their support."

Another pioneer in market news was L. M. Davis, the first Chief of dairy and poultry market news work. In speaking of his early experiences, Mr. Davis said: "We had to report what we could, always holding to the policy that there must be sales or we won't report a price.

"One of our big difficulties," Mr. Davis said, "was that in some instances

we couldn't get complete information from the markets because many of the buyers waited to see what price we published before they decided what they were going to pay."

Asked about some of the changes he has observed in the market news system, Mr. Davis noted that the entire marketing system for dairy and poultry has changed and consequently, the market news service has had to react to these changes.

"For example," Mr. Davis said, "freight cars of live poultry were coming into New York from all over the country for slaughtering and processing. This process was, of course, impractical and eventually these activities were shifted to the producing areas. Great processing plants arose, building up specific areas such as Delmarva (Delaware—Maryland—Virginia peninsula) and others in Georgia and Arkansas. Market news, naturally, shifted with these commodities to the producing points."

The first reports between market news offices were sent over commercial telegraph wires, and distributed by mail or telephoned to individuals and newspapers.

The first wireless transmission of Federal-State market news was flashed from the U. S. Bureau of Standards radio station in 1920, to "ham" operators who posted the quotations on local bulletin boards.

The University of Minnesota radio station first broadcast market reports by "radio telephone" in February 1921. And on May 19, 1921 Station KDKA in East Pittsburgh began the first regular schedule of market news broadcasts.

In those days, the Bureau of Markets and the Bureau of Standards were publishing instructions for farmers to construct a simple radio receiver — an oatmeal box with wire, a so-called "cat's whisker," and earphones — hoping this would speed the dissemination of market news directly to farmers.

(The author is a member of the Marketing Information Division. AMS.)

Instant Market News

IN FUTURE histories, the mid-twentieth century may well be referred to as the nuclear age, the jet age, the space age — or maybe even the instant age.

The instant you get up in the morning, you can have a glass of instant fruit juice while you wait for the water to boil so you can make yourself a cup of instant coffee. And while you wait for the instant oatmeal to get hot, you can fix a dish of instant dog food for Rover. And if you happen to be a user of agricultural market news — and within reach of a telephone — you can dial yourself an instant market news report.

One example is the livestock market news report at Greeley, Colorado. If you'd like, you can dial Area Code 303, 353-5170, right now, and get the latest livestock market information. Or perhaps you'd rather wait until you've read the details of how it all came about.

In order to make intelligent marketing plans and decisions, the livestock and meat trade must have accurate, timely, and unbiased market information. They've got to know the supply-demand-price situation at all levels of the marketing system, in all areas of the country, if they're going to show a profit in a highly-competitive business.

The Livestock Division of USDA's Agricultural Marketing Service, in cooperation with State department of agriculture, covers nearly 50 major livestock and meat trade centers, and issues reports several times a day as trading progresses and trends develop. The information is exchanged between the various marketing centers, and also made available to news wire services, newspapers, trade journals, and radio and television stations — which make the information available to the public as quickly as possible.

Marion Harmon, Chairman of the Board of the Colorado Cattle Feeders Association (CCFA), and Neil Skau, Executive Secretary of the organization, had long been aware that their members relied heavily on this information in their day-to-day operations. They were

also aware that members could not always manage to be near a radio or television set when reports were broadcast, nor could they always consult the latest newspaper before buying or selling cattle. Harmon and Skau wanted some kind of arrangement which would permit members of the Association to dial a telephone number in Greeley and get the latest livestock market reports.

Harmon took the problem up with Tom Ferrell, Officer-in-Charge of the Livestock Division's Denver market news office. Tom was immediately receptive to the idea, and volunteered his full cooperation. He could provide the reports if some means of dissemination could be worked out.

Next, Harmon went to the local telephone company to see if they could provide the necessary technical facilities. Although such systems were operating in certain sections of the country, equipment to meet the specific requirements was not available in the Greeley area but the telephone company agreed to take the problem to its equipment suppliers.

After analyzing the specific problems, engineers came up with a device similar to those used in many cities to provide the public with weather information, correct time, sports scores, and the like.

The next problem was where to put the equipment in Greeley and how to connect it to Tom Ferrell's office in Denver. Tom and his staff were already providing radio station KFKA with two market news broadcasts a day over a special telephone line between Denver and Greeley. Why not put the equipment in the KFKA offices, and then use the special telephone line for both the radio broadcasts and the telephone recorder? Larry Kirk, the station's farm director, quickly arranged for housing the equipment and using the line.

With all the problems taken care of, instant livestock market reports were

inaugurated in Greeley on August 3, 1964.

At present, the Denver market news office is recording three 2-minute reports each day. The first one is recorded about 7:45 each morning, another about 11 a.m. and a third about 2 p.m. When Ferrell or one of his staffers wants to record a new report, he dials the KFKA number and tells the station's operator he's ready to record. The operator punches one button and the operation is underway.

"Two minutes is a very short time," Tom says, "but we give them a fast report that is as up-to-the-minute as available information will allow.

"Each report covers the latest beef trade information at New York, Chicago, and Denver, the latest direct feedlot sales, slaughter cattle price trends at major markets, and feeder cattle price information available at the time."

Although CCFA pays rental charges on the system, it has made the service available to all. And Neil Skau reports a widespread use — by CCFA members and non-members too. At last report, the system was taking care of more than 200 calls a day.

The incoming lines are open 24 hours a day so that information is available even when the radio station and the market news office are closed.

Larry Kirk usually arrives at KFKA about 4:45 each morning, and reports that the system is sometimes in use when he comes in.

"The indicator lights which signal the presence of an in-coming call stay on most of the time," he says.

Now if you still have any doubts about the arrival of the "instant" age in livestock marketing, you can resolve them for the price of a telephone call to Greeley. In less time than it takes to heat water for another cup of that instant coffee, you can dial an instant livestock market news report!



Marion Harmon, Chairman of the Board of the Colorado Cattle Feeders Association, dials in for an instant livestock market news report.

Cross-Commodity Reporting —

A California Study



TRADITIONALLY the reporting of Federal-State market news has been done by specialists in each agricultural commodity field. A livestock specialist prepares livestock market news reports — a fruit and vegetable specialist reports on fruit and vegetable prices — a grain market newsman covers the grain market.

In some instances, however, the volume of reporting or other conditions make it impractical to operate separate reporting programs for a number of agricultural commodities. In these circumstances cross-commodity reporting — the assignment of one reporter to cover a number of agricultural commodities — may be the answer.

Cross-commodity reporting is not new. Some States — Virginia and North Carolina, for example — have for many years reported on a cross-commodity basis. However, there has been no systematic evaluation of the two reporting systems and the circumstances to which each is best adapted.

California, which has a market news service set up along commodity lines, is testing the practicability of cross-commodity reporting under a matching fund project in San Diego. Last October the Federal-State Market News Service

in California sent James W. Storey, a veteran livestock marketing specialist, to San Diego to begin a cross-commodity market news service. His assignment was to develop a market news program to furnish information on livestock, dairy, poultry and eggs, fruits and vegetables, and alfalfa.

The project is being financed partly by the Federal-State Market News Service (with funds coming from both the California Department of Agriculture and the U. S. Department of Agriculture's Marketing Service) and partly by the Matching Fund Program, an AMS-administered program for supporting local marketing improvement projects.

Until the new service was started, there was no market news program in the San Diego area — despite the fact that this county has a \$107 million annual income from agriculture. Requests for market news support had come from several industry groups in the area. But placing commodity market news personnel in the county for each commodity needing the service was too expensive. Thus, the idea for a cross-commodity market news office was born.

Here's how it works: Mr. Storey, assisted by one clerk, gathers and summarizes information from shippers and

dealers, transmitting it both to local producers and marketers, and to industry people throughout the State. He disseminates market news through local radio stations and newspapers, and releases a mimeographed report, which includes market information for all major agricultural products of the area.

The project will try to answer these questions:

(1) Can one reporter do an adequate job of market news reporting for a wide range of agricultural commodities?

(2) What adjustments must be made in program operations — commodity coverage, collection and dissemination techniques, content and scheduling of reports — to accommodate the larger number of commodities?

(3) To what types of market situations is cross-commodity reporting best adapted and what potentiality does it have in other areas?

This is a typical project of the AMS Matching Fund Program which furnishes financial and technical assistance to 43 cooperating States, to allow them to conduct marketing improvement work at the local level. This is one of 138 separate projects involving most agricultural products — in many phases of agricultural marketing.

Changing Markets and Reporting

By Frank Harmon

THE BIG livestock buyer now shows up at country auctions, and even calls on individual producers to assemble his supplies. Fruit and vegetable buyers personally inspect lots in the fields. The man who raises broilers often no longer owns them, but gets a cent or two a pound for his labor and facilities. The marketing of farm products is undergoing revolutionary, often bewildering, changes — and that means changes are needed in market news reporting.

Today in some instances, what once were transactions between farmer and processor, and between processor and wholesaler, now have become just book-keeping entries in the records of a single company. More and more large buyers are going directly to large sellers in the country to get supplies, bypassing terminal markets and the traditional middlemen. From the other direction, some producers are doing their own packing or processing.

Broiler reporting illustrates the perplexing problems which market news faces in this changing marketing system.

The points where critical price bargaining actually occurs are simply not as easy to locate as they were when most growers bought their chicks, raised their own birds, and sold them live at the farm to buyers who then sold them to processors.

In major producing areas today, the men who raise the birds may be employed by feed dealers who are also hatcherymen. These dealers either may own the processing plant or have firm contracts with processors to take their birds. Actual give-and-take bargaining for price may not take place until the ready-to-cook broiler moves out to a major retail buyer. To cope with this situation, USDA is working with the industry on an acceptable means of putting more stress on ready-to-cook broiler prices.

These new trends have made it increasingly difficult to report market news accurately, rapidly, completely and consistently. Marketing has become so complex and specialized that tracing its steps and the critical trading points increasingly challenges the ingenuity of the market news service.

Traditional reporting methods, built in response to vital needs and tailored to the market structure of the day, tend to become deep-rooted and highly resistant to change. The Federal-State cooperative Market News Service continually adapts to change, however, eliminating outdated reports, initiating new ones, modifying many others.

Many of the long-established market news collection points have shifted in recent years — in all major fields — livestock, fruits, vegetables, dairy and poultry products. The new trading points must be located, and new arrangements and procedures must be explored, planned, set up, and tried out to see if they work to everyone's satisfaction. Often modifications must be made before a new report works smoothly. Consultations must be held with the various market groups involved. In many cases, changes which market experts agreed were necessary have been delayed due to resistance by the buyers or sellers most directly involved, making educational programs necessary.

But all these problems must be overcome, because the grower, the processor, the wholesale dealer, the retail buyer, need the current market values, quickly, dependably, accurately, to plan their business operations. Each has a crucial role to play in the marketing chain. To gather this indispensable information for them is the vital role which the Federal-State Market News Service has been performing for the past 50 years. The service is operated by USDA's Agricultural Marketing Service and State departments of agriculture.

A big problem with all food commodities has been that the terminal markets, which used to handle the great bulk of these shipments before they reached the retail stores, no longer handle the major portion. Consequently, for livestock, fruits, vegetables, dairy and poultry products, USDA has expanded its market reports in production areas and at country shipping points, to give an accurate picture of the market.

A needed expansion of fruit and vegetable market news includes data on truck movements in several terminal or regional markets, not only for fresh but also for canned and frozen products.

When railroads moved the bulk of

fruits and vegetables, data on such volume movements were relatively easy to get — they all moved through certain rail centers, and origin, volume and destination information could be tabulated quickly. Now that about two-thirds of fruit and vegetable shipments are by truck, this information is hard to get. Trucks aren't limited to one set of tracks — they can travel any route. They move by individual units instead of scores of cars together, and they arrive at many places, and at many different hours.

Many more people have to be contacted to compile the same data it took only a few to supply previously. Of course such reports cannot be exhaustive — either by shipping points or major central markets. But a good representative sample can be contacted regularly, to serve as a reliable basis for daily or weekly comparisons.

Producer organizations and marketing firms are demanding more complete reports of supplies and prices of raw products for processing, more seasonal offices in commercial fruit and vegetable producing areas; western and southwestern cattlemen want reports of range sales there; and more local reporting has been asked for cotton, eggs, livestock, grain and other commodities.

The Market News Service has also been pressed to provide more coverage in some markets — more levels of trading, data on stocks, weight, size, grade, volume, trade attitudes, etc. Many requests extend far beyond the traditional ideas of market reporting, such as figuring a "base" price instead of the actual price range.

Market news reports of the future may contain more information on f.o.b. prices.

More reporting may be done of consumer-packaged and institutional-packaged units by grade and size, as these types of packaging become more common. Prices to retailers may be reported more widely for more commodities as marketing becomes more integrated and it becomes more difficult to report accurate prices at intermediate trading points between the producer and the consumer.

(The author is a member of the Marketing Information Division, AMS.)

Reporting The Grain Market By Radio

This article by Chuck Muller, Farm Service Director of radio station KOA in Denver, Colorado, appeared in CHATS, a publication of the National Association of Farm Broadcasters. It points out how producers and marketers of farm commodities are able to get an up-to-the-minute picture of market activity through radio dissemination of market news. The Denver grain market news service — begun by the Agricultural Marketing Service of the U.S. Department of Agriculture during the summer of 1963 — reports price, supply, and demand information on grains, and related commodities such as beans, throughout the Mountain States.

RECENTLY, "the farm department at KOA, in Denver inaugurated a new service to its listeners . . .

"With the cooperation of the U.S. Department of Agriculture's Grain Market News office in Denver, KOA is now able to broadcast actual country elevator prices on the day they are being paid. This we feel approaches the ultimate in market reporting.

"We are able to tell a wheat producer, to the penny, what his grain is worth at the moment of the broadcast. In addition to the price at his own elevator, he can get prices from surrounding towns. Armed with this kind of information, he can make more intelligent marketing decisions.

"To illustrate what a great improvement this new service represents, one

must first take note of the kind of information that was formerly available. Since there is not a grain terminal market or board of trade in Denver, market information on wheat and other grains was very difficult to come by.

"Most of the information provided by the news wire services dealt with trading on the Chicago market, which has little influence on wheat prices in this portion of the high plains. Prices here are determined by quotations on the Kansas City Board of Trade. The reports usually reached us too late for the regular farm shows.

"Wheat growers, unhappy with this lack of market news, urged USDA's Agricultural Marketing Service to remedy the situation. After an appropriation was secured, AMS market reporter C. J. Trumbo was sent to Denver to open an office and establish grain market news service for this area.

". . . We were delighted to pitch in, since we are always on the lookout for ways to improve our services to rural listeners. We recognized that this data would fill a tremendous information gap. The station has since become an important link in securing and disseminating the reports.

"The first big problem to be solved was to obtain and broadcast the Kansas City wheat futures prices as quickly as possible after that market closed for the day. Local elevator men sent their cash bids to growers on these Kansas City figures. The Kansas City market closes at 11:15 a.m. Mountain Time

(during the summer). By conventional means it was taking more than an hour for this price to become available to us in Denver. Mr. Trumbo arranged with the USDA market reporter in Kansas City to give . . . priority to getting the Kansas City prices to Denver as soon after the market closed as possible.

"After some preliminary difficulties were worked out, Mr. Trumbo found he could obtain the Kansas City market close dependably by 11:30 a.m. MST. As soon as those figures are received, Mr. Trumbo's office calls the KOA farm department, and we put them on the air, in bulletin form, at 11:35 a.m., a delay of only 20 minutes after the Kansas City close. Elevator operators in Colorado, western Kansas, and southwestern Nebraska are glued to their radios to catch this daily bulletin.

"As soon as the bulletin has been on the air, Mr. Trumbo's staff telephones the elevators . . . cooperating in the report. The prices quoted by elevators in 35 points throughout the region are then compiled and transmitted by telephone to the KOA farm department.

"This report, the closing cash feed grain prices and rail shipment data are then broadcast . . . at 12:55 daily.

"The reaction from farmers in the area has been excellent. Never before has such information been available so quickly, and the growers and elevator men in our coverage area are most enthusiastic."



Market News Around The World



Latin American farmers often come to market by bus — carrying their goods on the roof, seldom knowing what price their produce will bring at market.

By Dennis Avery

WHEN WAS the last time you sent your crops or livestock to market without checking the market price first? You can't remember? Few U.S. farmers can. We take market news reports pretty much for granted.

But for most of the world's farmers, market news is about as plentiful as hen's teeth.

In Mexico, you might walk 20 miles to market with a load of oranges on your back, or leading a recalcitrant pig — without having the faintest idea what price you can get when you arrive. The market may be already saturated with oranges and pigs, but you won't know until you get there.

As a small Guatemalan coffee grower, things might be easier. Coffee buyers come to your door and offer you a price for your crop. But they know what they can get for it in Guatemala City. You don't. You've probably never even been to Guatemala City, and you certainly won't know anything about the price of coffee on the world market. You'll be at a distinct disadvantage in dealing with these buyers.

In Africa, farmers and country dealers often don't get market information very fast either. They probably

won't know — in time — that supplies of meat are scarce in Djibouti, 100 miles away. They won't know that the sheep they're selling for \$1.90 would bring \$4.70 from a retail butcher in the city.

This lack of market information is hard on consumers too. If a city in the U.S. is short of mutton, the price goes up a few cents a pound, and pretty quickly enough mutton is channeled in from other areas to satisfy the demand. The same shortage and price change in Djibouti may bring no response at all — because producers don't know about it. Customers may just have to do without their mutton.

In fact, with no way to reflect consumer demand back to the farmer, whole areas of potential sales may be completely unsatisfied. The consumers can't get what they want, and farmers lose income opportunities.

Most of the world's farmers live in underdeveloped countries where poor transportation and communications, poverty and illiteracy hamper both the gathering and dissemination of market news.

Efforts are being made, of course, to improve the situation.

India and Pakistan have found that loudspeakers and blackboards at the

entrances to local markets are the best way to reach the largest number of farmers and traders with market news. The market committee at one Pakistani market uses a messenger with a bicycle to communicate wholesale prices to farmers in the surrounding villages. Each day he leaves price slips at village schools within a radius of 15 to 25 kilometers. To get around the illiteracy problem, the school headmasters then have school boys read the markets to the farmers during their evening gatherings.

Transistor radios offer considerable promise, since they're small and relatively inexpensive, and the listener doesn't have to be able to read. They also offer the considerable advantage of speed in getting the market news out.

Even though progress is being made, however, most of the world's farmers have nothing even close to the American system of market news.

The next time you're sending a shipment to market, you might reflect on how you'd do it if you had no market news. Then turn on your radio, or look at your newspaper or your TV set.

(The author is Acting Chief of the Commodity Programs Branch, Marketing Information Division, AMS.)